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09/995,218

11/27/2001

John S. Wronski JR.

F-421

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EXAMINER

FELTEN, DANIEL S

ART UNIT

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**Please find below and/or attached an Office communication concerning this application or proceeding.**

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1 UNITED STATES PATENT AND TRADEMARK OFFICE

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3  
4 BEFORE THE BOARD OF PATENT APPEALS  
5 AND INTERFERENCES  
6

7  
8 *Ex parte* JOHN S. WRONSKI, Jr.  
9

10  
11 Appeal 2008-0349  
12 Application 09/995,218  
13 Technology Center 3600  
14

15  
16 Decided: April 30, 2008  
17  
18

19 *Before* WILLIAM F. PATE, III, ANTON W. FETTING and STEVEN D.A.  
20 McCARTHY, *Administrative Patent Judges*.

21  
22 PATE, III, *Administrative Patent Judge*.

23  
24 DECISION ON APPEAL  
25

26 STATEMENT OF CASE

27 The Appellant appeals under 35 U.S.C. § 134 (2002) from a Final  
28 Rejection of claims 1-24. We have jurisdiction under 35 U.S.C. § 6(b)  
29 (2002).

30 The Appellant claims a system and method for authorizing purchases  
31 to reduce fraudulent transactions by having the account owner provide to the

1bank various authorization parameters (such as merchant category, product  
2category, expected time of transaction, etc.) regarding an anticipated  
3purchase. The bank calculates an authorization code based on the selected  
4parameters and provides it to the account owner. During the actual purchase  
5transaction, the merchant provides the account information and the customer  
6supplied authorization code to the bank. The bank calculates a confirmation  
7authorization code and compares the calculated confirmation authorization  
8code to the transmitted authorization code to determine whether the  
9transaction should be authorized.

10 Independent claims 1 and 16 read as follows:

- 11 1. A method for authorizing purchases by an owner of an  
12 account previously established with a bank, the owner wanting  
13 to purchase an item from a merchant, the method comprising  
14 the step(s) of:  
15 providing a plurality of authorization parameters  
16 available for use in calculating an authorization code associated  
17 with a transaction to purchase the item;  
18 defining a selected subset of the plurality of authorization  
19 parameters;  
20 establishing respective authorization parameter data for  
21 each of the selected authorization parameters;  
22 calculating the authorization code corresponding to the  
23 established respective authorization parameter data;  
24 providing the authorization code to the owner;  
25 providing the authorization code to the merchant;  
26 receiving the authorization code and transaction data  
27 from the merchant at the bank;  
28 calculating a confirmation authorization code from the  
29 transaction data corresponding to the established respective  
30 authorization parameter data; and

1 comparing the authorization code with the confirmation  
2 authorization code to determine whether or not to approve the  
3 transaction.  
4

5 16. A database for processing a transaction, the database  
6 comprising:  
7 a plurality of owner account information files;  
8 a plurality of authorization parameters available for use  
9 in calculating an authorization code associated with a  
10 transaction to purchase an item; and  
11 a plurality of transaction authentication records  
12 corresponding to the plurality of owner account information  
13 files, respectively; and  
14 where each transaction record is representative of a  
15 respective transaction and has associated therewith a selected  
16 subset of the plurality of authorization parameters, respectively  
17 and an authorization code corresponding to the selected  
18 respective authorization parameter data, respectively.  
19

20 Independent claim 8 recites a method of operating a transaction  
21 processing data center for authorizing purchases including the step of  
22 calculating the authorization code corresponding to the received respective  
23 authorization parameter data. Independent claim 18 recites a system for  
24 authorizing purchases including a means for calculating the authorization  
25 code corresponding to the established respective authorization parameter  
26 data.

27 The prior art relied upon by the Examiner in rejecting the claims is:

28Langhans	5,500,513	Mar. 19, 1996
29Gephart	6,339,766	Jan. 15, 2002

30

1 The Examiner rejected claims 1-24 under 35 U.S.C. § 103(a) as  
2unpatentable over Langhans in view of Gephart.

3 We AFFIRM-IN-PART.

4

5 ISSUE

6 The sole issue raised in the present appeal is whether the Appellant  
7has shown that the Examiner erred in rejecting claims 1-24 as unpatentable  
8over Langhans in view of Gephart.

9

10 PRINCIPLES OF LAW

11 “Section 103 forbids issuance of a patent when ‘the differences  
12between the subject matter sought to be patented and the prior art are such  
13that the subject matter as a whole would have been obvious at the time the  
14invention was made to a person having ordinary skill in the art to which said  
15subject matter pertains.’” *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. 1727,  
161734 (2007). The question of obviousness is resolved on the basis of  
17underlying factual determinations including (1) the scope and content of the  
18prior art, (2) any differences between the claimed subject matter and the  
19prior art, (3) the level of skill in the art, and (4) where in evidence, so-called  
20secondary considerations. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18  
21(1966). The Court noted that “[t]o facilitate review, this analysis should be  
22made explicit.” *KSR Int’l Co. v. Teleflex Inc.*, 127 S.Ct. at 1741, citing *In re*  
23Kahn, 441 F.3d 977, 988 (Fed. Cir. 2006) (“[R]ejections on obviousness  
24grounds cannot be sustained by mere conclusory statements; instead, there

1must be some articulated reasoning with some rational underpinning to  
2support the legal conclusion of obviousness”). However, “the analysis need  
3not seek out precise teachings directed to the specific subject matter of the  
4challenged claim.” *Id.*

5

6

## ANALYSIS

7 The Examiner rejected the claims as unpatentable over Langhans and  
8Gephart (Ans. 3). The Examiner asserts that Langhans discloses all of the  
9recited limitations of the rejected claims except that the account disclosed in  
10Langhans is a corporate account instead of an individual account (Ans. 3 and  
114). The Examiner cites Gephart for disclosing a limited use account system  
12for an individual account and states that because both Langhans and Gephart  
13provide fraud protection by limiting account use and/or activity based on  
14various criteria, the pending claims are obvious and unpatentable (Ans. 4  
15and 6).

16 In the Appeal Brief, the Appellant submits arguments directed to all of  
17the rejected claims, as well as specific arguments directed to various  
18individual claims. With respect to all of the rejected claims, the Appellant  
19argues that because in the present invention, the card owner interacts with a  
20bank/credit card agency to obtain an authorization code specific to the  
21anticipated purchase in advance of the purchase, the authorization code is  
22transaction specific and different for each transaction (App. Br. 11 and 12;  
23Reply Br. 3 and 4). The Appellant contends that Langhans merely discloses  
24a unique card number that is permanently encoded on the card and that

1Langhans does not disclose a system that generates an authorization code  
2that is specific to a transaction (App. Br. 13 and 14). The Appellant further  
3contends that Gephart does not correct this deficiency of Langhans (App. Br.  
415; Reply Br. 2). Although not explicitly stated, the underlying basis of the  
5Appellant's argument is that because the authentication codes are calculated  
6corresponding to the authorization parameter data for each transaction, the  
7resultant calculated authentication codes are different for each transaction  
8(Reply Br. 3 and 4).

9       The Examiner maintains that the claims do not recite that the  
10authorization code is different for each transaction and states that the  
11Appellant is reading limitations into the claims (Ans. 7). While we agree  
12with the Examiner that the claims do not explicitly recite that the  
13authorization code is different for each transaction, we also find that the  
14Examiner's rejection of independent claims 1, 8 and 18 is deficient because  
15the cited prior art reference does not disclose or suggest "calculating the  
16authorization code" as recited in these claims (Reply Br. 4).

17       In this regard, we note that the Specification clearly teaches  
18calculating an authorization code that is representative of the various  
19selected authorization parameter data, but is not readily derivable by an  
20outsider (Spec. 7 and 8). The Specification further describes an embodiment  
21that utilizes an encryption algorithm and a key in conjunction with the  
22selected authorization parameter data to calculate the authorization code  
23(Spec. 7-9; Fig. 2A). Thus, we construe the limitation "calculating the  
24authorization code" in claim 1 to require a step in which the resultant

1authorization code is unique to a transaction and includes information about  
2the authorization parameter data. A series of numbers that merely identify  
3the transaction or the account does not satisfy this limitation. Thus,  
4Langhans does not disclose or suggest the recited calculation step, and the  
5Examiner has not articulated any reason with a rational basis as to why  
6calculation of an authorization code would have been obvious to one of  
7ordinary skill in the art. Gephart, as applied by the Examiner, does not  
8remedy this deficiency.

9       Therefore, in view of the above, the Appellant has shown that the  
10Examiner erred in rejecting claims 1-15 and 18-24 as unpatentable over  
11Langhans in view of Gephart. The Appellant's specific arguments regarding  
12dependent claims 2-7, 9-15 and 19-24 ultimately depending from claims 1, 8  
13or 18 are noted, but are moot in view of the above (Ans. 16-18).

14       With respect to independent claim 16, we note that there is no specific  
15recitation of calculating the authorization code in this claim. Claim 16 does  
16recite "a plurality of authorization parameters available for use in calculating  
17an authorization code associated with a transaction to purchase an item."  
18However, the recitation of "calculating an authorization code" in this  
19limitation is merely a statement of intended use. All that is required to  
20satisfy this limitation is for the authorization parameters to be available for  
21use, not that these parameters be actually used in calculating an  
22authorization code. The various usage restrictions of Langhans or Gephart  
23satisfy this limitation in that such usage restrictions are also available for the  
24recited use. In addition, while claim 16 also recites that each transaction



1record has associated therewith, “an authorization code corresponding to the  
2selected respective authorization parameter data,” this limitation is satisfied  
3by the prior art in that account or transaction numbers also correspond to the  
4authorization parameter data by identifying the account or transaction to  
5which the parameter data is associated. Thus, the Appellant has not shown  
6that the Examiner erred in rejecting independent claim 16.

7 Finally, claim 17 depending from claim 16 further recites that the  
8plurality of authorization parameters includes a transaction sequence  
9parameter. We agree with the Appellant that the cited prior art references do  
10not disclose such a feature and that the Examiner has not articulated any  
11reason as to why provision of the recited feature would have been obvious  
12(App. Br. 18). Therefore, the Appellant has shown that the Examiner erred  
13in rejecting dependent claim 17.

14

## 15 CONCLUSIONS

16 1. The Appellant has shown that the Examiner erred in rejecting  
17claims 1-15 and 18-24 as unpatentable over Langhans and Gephart.

18 2. The Appellant has not shown that the Examiner erred in  
19rejecting independent claim 16 as unpatentable over Langhans and Gephart.

20 3. The Appellant has shown that the Examiner erred in rejecting  
21dependent claim 17 as unpatentable over Langhans and Gephart.

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36Appeal 2008-0349  
37Application 09/995,218  
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1 ORDER

2 1. The Examiner's rejection of claim 1-15 and 17-24 is  
3REVERSED.

4 2. The Examiner's rejection of claim 16 is AFFIRMED.

5 No time period for taking any subsequent action in connection with  
6this appeal may be extended under 37 C.F.R. § 1.136(a). *See* 37 C.F.R.  
7§ 1.136(a)(1)(iv) (2007).

8

9 AFFIRMED-IN-PART

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